

Union Calendar No. 132

108TH CONGRESS
1ST SESSION

H. R. 1561

[Report No. 108-241]

To amend title 35, United States Code, with respect to patent fees, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 2, 2003

Mr. SMITH of Texas (for himself and Mr. BERMAN) (both by request) introduced the following bill; which was referred to the Committee on the Judiciary

JULY 25, 2003

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on April 2, 2003]

A BILL

To amend title 35, United States Code, with respect to patent fees, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 *This Act may be cited as the “United States Patent*
3 *and Trademark Fee Modernization Act of 2003”.*

4 **SEC. 2. FEES FOR PATENT SERVICES.**

5 (a) *GENERAL PATENT FEES.*—Section 41(a) of title
6 35, United States Code, is amended to read as follows:

7 “(a) *GENERAL FEES.*—The Director shall charge the
8 following fees:

9 “(1) *FILING AND BASIC NATIONAL FEES.*—

10 “(A) *On filing each application for an*
11 *original patent, except for design, plant, or pro-*
12 *visional applications, \$300.*

13 “(B) *On filing each application for an*
14 *original design patent, \$200.*

15 “(C) *On filing each application for an*
16 *original plant patent, \$200.*

17 “(D) *On filing each provisional application*
18 *for an original patent, \$200.*

19 “(E) *On filing each application for the re-*
20 *issue of a patent, \$300.*

21 “(F) *The basic national fee for each inter-*
22 *national application filed under the treaty de-*
23 *finied in section 351(a) of this title entering the*
24 *national stage under section 371 of this title,*
25 *\$300.*

1 “(G) In addition, excluding any sequence
2 listing or computer program listing filed in an
3 electronic medium as prescribed by the Director,
4 for any application the specification and draw-
5 ings of which exceed 100 sheets of paper (or
6 equivalent as prescribed by the Director if filed
7 in an electronic medium), \$250 for each addi-
8 tional 50 sheets of paper (or equivalent as pre-
9 scribed by the Director if filed in an electronic
10 medium) or fraction thereof.

11 “(2) *EXCESS CLAIMS FEES.*—In addition to the
12 fee specified in paragraph (1)—

13 “(A) on filing or on presentation at any
14 other time, \$200 for each claim in independent
15 form in excess of 3;

16 “(B) on filing or on presentation at any
17 other time, \$50 for each claim (whether depend-
18 ent or independent) in excess of 20; and

19 “(C) for each application containing a mul-
20 tiple dependent claim, \$360.

21 For the purpose of computing fees under this para-
22 graph, a multiple dependent claim referred to in sec-
23 tion 112 of this title or any claim depending there-
24 from shall be considered as separate dependent claims
25 in accordance with the number of claims to which ref-

1 *erence is made. The Director may by regulation pro-*
2 *vide for a refund of any part of the fee specified in*
3 *this paragraph for any claim that is canceled before*
4 *an examination on the merits, as prescribed by the*
5 *Director, has been made of the application under sec-*
6 *tion 131 of this title. Errors in payment of the addi-*
7 *tional fees under this paragraph may be rectified in*
8 *accordance with regulations prescribed by the Direc-*
9 *tor.*

10 *“(3) EXAMINATION FEES.—*

11 *“(A) For examination of each application*
12 *for an original patent, except for design, plant,*
13 *provisional, or international applications, \$200.*

14 *“(B) For examination of each application*
15 *for an original design patent, \$130.*

16 *“(C) For examination of each application*
17 *for an original plant patent, \$160.*

18 *“(D) For examination of the national stage*
19 *of each international application, \$200.*

20 *“(E) For examination of each application*
21 *for the reissue of a patent, \$600.*

22 *The provisions of section 111(a)(3) of this title relat-*
23 *ing to the payment of the fee for filing the application*
24 *shall apply to the payment of the fee specified in this*
25 *paragraph with respect to an application filed under*

1 *section 111(a) of this title. The provisions of section*
2 *371(d) of this title relating to the payment of the na-*
3 *tional fee shall apply to the payment of the fee speci-*
4 *fied in this paragraph with respect to an inter-*
5 *national application. The Director may by regulation*
6 *provide for a refund of any part of the fee specified*
7 *in this paragraph for any applicant who files a writ-*
8 *ten declaration of express abandonment as prescribed*
9 *by the Director before an examination has been made*
10 *of the application under section 131 of this title, and*
11 *for any applicant who provides a search report that*
12 *meets the conditions prescribed by the Director.*

13 *“(4) ISSUE FEES.—*

14 *“(A) For issuing each original patent, ex-*
15 *cept for design or plant patents, \$1,400.*

16 *“(B) For issuing each original design pat-*
17 *ent, \$800.*

18 *“(C) For issuing each original plant patent,*
19 *\$1,100.*

20 *“(D) For issuing each reissue patent,*
21 *\$1,400.*

22 *“(5) DISCLAIMER FEE.—On filing each dis-*
23 *claimer, \$130.*

24 *“(6) APPEAL FEES.—*

1 “(A) *On filing an appeal from the examiner*
2 *to the Board of Patent Appeals and Inter-*
3 *ferences, \$500.*

4 “(B) *In addition, on filing a brief in sup-*
5 *port of the appeal, \$500, and on requesting an*
6 *oral hearing in the appeal before the Board of*
7 *Patent Appeals and Interferences, \$1,000.*

8 “(7) *REVIVAL FEES.—On filing each petition for*
9 *the revival of an unintentionally abandoned applica-*
10 *tion for a patent, for the unintentionally delayed*
11 *payment of the fee for issuing each patent, or for an*
12 *unintentionally delayed response by the patent owner*
13 *in any reexamination proceeding, \$1,500, unless the*
14 *petition is filed under section 133 or 151 of this title,*
15 *in which case the fee shall be \$500.*

16 “(8) *EXTENSION FEES.—For petitions for 1-*
17 *month extensions of time to take actions required by*
18 *the Director in an application—*

19 “(A) *on filing a first petition, \$120;*

20 “(B) *on filing a second petition, \$330; and*

21 “(C) *on filing a third or subsequent peti-*
22 *tion, \$570.”.*

23 “(b) *PATENT MAINTENANCE FEES.—Section 41(b) of*
24 *title 35, United States Code, is amended to read as follows:*

1 “(b) *MAINTENANCE FEES.*—*The Director shall charge*
2 *the following fees for maintaining in force all patents based*
3 *on applications filed on or after December 12, 1980:*

4 “(1) *3 years and 6 months after grant, \$900.*

5 “(2) *7 years and 6 months after grant, \$2,300.*

6 “(3) *11 years and 6 months after grant, \$3,800.*

7 *Unless payment of the applicable maintenance fee is re-*
8 *ceived in the United States Patent and Trademark Office*
9 *on or before the date the fee is due or within a grace period*
10 *of 6 months thereafter, the patent will expire as of the end*
11 *of such grace period. The Director may require the payment*
12 *of a surcharge as a condition of accepting within such 6-*
13 *month grace period the payment of an applicable mainte-*
14 *nance fee. No fee may be established for maintaining a de-*
15 *sign or plant patent in force.”.*

16 “(c) *PATENT SEARCH FEES.*—*Section 41(d) of title 35,*
17 *United States Code, is amended to read as follows:*

18 “(d) *PATENT SEARCH AND OTHER FEES.*—

19 “(1) *PATENT SEARCH FEES.*—(A) *The Director*
20 *shall charge a fee for the search of each application*
21 *for a patent, except for provisional applications. The*
22 *Director shall establish the fees charged under this*
23 *paragraph to recover an amount not to exceed the es-*
24 *timated average cost to the Office of searching appli-*
25 *cations for patent either by acquiring a search report*

1 *from a qualified search authority, or by causing a*
2 *search by Office personnel to be made, of each appli-*
3 *cation for patent.*

4 *“(B) For purposes of determining the fees to be*
5 *established under this paragraph, the cost to the Of-*
6 *fice of causing a search of an application to be made*
7 *by Office personnel shall be deemed to be—*

8 *“(i) \$500 for each application for an origi-*
9 *nal patent, except for design, plant, provisional,*
10 *or international applications;*

11 *“(ii) \$100 for each application for an origi-*
12 *nal design patent;*

13 *“(iii) \$300 for each application for an*
14 *original plant patent;*

15 *“(iv) \$500 for the national stage of each*
16 *international application; and*

17 *“(v) \$500 for each application for the re-*
18 *issue of a patent.*

19 *“(C) The provisions of section 111(a)(3) of this*
20 *title relating to the payment of the fee for filing the*
21 *application shall apply to the payment of the fee*
22 *specified in this paragraph with respect to an appli-*
23 *cation filed under section 111(a) of this title. The pro-*
24 *visions of section 371(d) of this title relating to the*
25 *payment of the national fee shall apply to the pay-*

1 *ment of the fee specified in this paragraph with re-*
2 *spect to an international application.*

3 *“(D) The Director may by regulation provide for*
4 *a refund of any part of the fee specified in this para-*
5 *graph for any applicant who files a written declara-*
6 *tion of express abandonment as prescribed by the Di-*
7 *rector before an examination has been made of the ap-*
8 *plication under section 131 of this title, and for any*
9 *applicant who provides a search report that meets the*
10 *conditions prescribed by the Director.*

11 *“(E) For purposes of subparagraph (A), a*
12 *‘qualified search authority’ may not include a com-*
13 *mercial entity unless—*

14 *“(i) the Director conducts a pilot program*
15 *of limited scope, conducted over a period of not*
16 *more than 18 months, which demonstrates that*
17 *searches by commercial entities of the available*
18 *prior art relating to the subject matter of inven-*
19 *tions claimed in patent applications—*

20 *“(I) are accurate; and*

21 *“(II) meet or exceed the standards of*
22 *searches conducted by and used by the Pat-*
23 *ent and Trademark Office during the patent*
24 *examination process;*

1 “(i) the Director submits a report on the
2 results of the pilot program to the Congress and
3 the Patent Public Advisory Committee that in-
4 cludes—

5 “(I) a description of the scope and du-
6 ration of the pilot program;

7 “(II) the identity of each commercial
8 entity participating in the pilot program;

9 “(III) an explanation of the method-
10 ology used to evaluate the accuracy and
11 quality of the search reports; and

12 “(IV) an assessment of the effects that
13 the pilot program, as compared to searches
14 conducted by the Patent and Trademark Of-
15 fice, had and will have on—

16 “(aa) patentability determina-
17 tions;

18 “(bb) productivity of the Patent
19 and Trademark Office;

20 “(cc) costs to the Patent and
21 Trademark Office;

22 “(dd) costs to patent applicants;
23 and

24 “(ee) other relevant factors;

1 “(iii) the Patent Public Advisory Com-
2 mittee reviews and analyzes the Director’s report
3 under clause (ii) and the results of the pilot pro-
4 gram and submits a separate report on its anal-
5 ysis to the Director and the Congress that in-
6 cludes—

7 “(I) an independent evaluation of the
8 effects that the pilot program, as compared
9 to searches conducted by the Patent and
10 Trademark Office, had and will have on the
11 factors set forth in clause (ii)(IV); and

12 “(II) an analysis of the reasonableness,
13 appropriateness, and effectiveness of the
14 methods used in the pilot program to make
15 the evaluations required under clause
16 (ii)(IV); and

17 “(iv) the Congress does not, during the 1-
18 year period beginning on the date on which the
19 Patent Public Advisory Committee submits its
20 report to the Congress under clause (iii), enact a
21 law prohibiting searches by commercial entities
22 of the available prior art relating to the subject
23 matter of inventions claimed in patent applica-
24 tions.

1 “(2) *OTHER FEES.*—*The Director shall establish*
2 *fees for all other processing, services, or materials re-*
3 *lating to patents not specified in this section to re-*
4 *cover the estimated average cost to the Office of such*
5 *processing, services, or materials, except that the Di-*
6 *rector shall charge the following fees for the following*
7 *services:*

8 “(A) *For recording a document affecting*
9 *title, \$40 per property.*

10 “(B) *For each photocopy, \$.25 per page.*

11 “(C) *For each black and white copy of a*
12 *patent, \$3.*

13 *The yearly fee for providing a library specified in sec-*
14 *tion 12 of this title with uncertified printed copies of*
15 *the specifications and drawings for all patents in that*
16 *year shall be \$50.”.*

17 (d) *ADJUSTMENTS.*—*Section 41(f) of title 35, United*
18 *States Code, shall apply to the fees established under the*
19 *amendments made by this section, beginning in fiscal year*
20 *2005.*

21 (e) *CONFORMING AMENDMENTS.*—

22 (1) *Section 41 of title 35, United States Code, is*
23 *amended—*

1 (A) in subsection (c), by striking “(c)(1)”
2 and inserting “(c) LATE PAYMENT OF FEES.—
3 (1)”;

4 (B) in subsection (e), by striking “(e)” and
5 inserting “(e) WAIVERS OF CERTAIN FEES.—”;

6 (C) in subsection (f), by striking “(f)” and
7 inserting “(f) ADJUSTMENTS IN FEES.—”;

8 (D) in subsection (g), by striking “(g)” and
9 inserting “(g) EFFECTIVE DATES OF FEES.—”;

10 (E) in subsection (h), by striking “(h)(1)”
11 and inserting “(h) REDUCTIONS IN FEES FOR
12 CERTAIN ENTITIES.—(1)”;

13 (F) in subsection (i), by striking “(i)(1)”
14 and inserting “(i) SEARCH SYSTEMS.—(1)”.

15 (2) Section 119(e)(2) of title 35, United States
16 Code, is amended by striking “subparagraph (A) or
17 (C) of”.

18 **SEC. 3. ADJUSTMENT OF TRADEMARK FEES.**

19 (a) *FEE FOR FILING APPLICATION.*—The fee under sec-
20 tion 31(a) of the Trademark Act of 1946 (15 U.S.C.
21 1113(a)) for filing an electronic application for the reg-
22 istration of a trademark shall be \$325. If the trademark
23 application is filed on paper, the fee shall be \$375. The Di-
24 rector may reduce the fee for filing an electronic application
25 for the registration of a trademark to \$275 for any appli-

1 *cant who prosecutes the application through electronic*
2 *means under such conditions as may be prescribed by the*
3 *Director. Beginning in fiscal year 2005, the provisions of*
4 *the second and third sentences of section 31(a) of the Trade-*
5 *mark Act of 1946 shall apply to the fees established under*
6 *this section.*

7 (b) *REFERENCE TO TRADEMARK ACT OF 1946.—For*
8 *purposes of this section, the “Trademark Act of 1946” refers*
9 *to the Act entitled “An Act to provide for the registration*
10 *and protection of trademarks used in commerce, to carry*
11 *out the provisions of certain international conventions, and*
12 *for other purposes.”, approved July 5, 1946 (15 U.S.C. 1051*
13 *et seq.).*

14 **SEC. 4. CORRECTION OF ERRONEOUS NAMING OF OFFICER.**

15 (a) *CORRECTION.—Section 13203(a) of the 21st Cen-*
16 *tury Department of Justice Appropriations Authorization*
17 *Act (Public Law 107–273; 116 Stat. 1902) is amended—*

18 (1) *in the subsection heading, by striking “COM-*
19 *MISSIONER” and inserting “DIRECTOR”; and*

20 (2) *in paragraphs (1) and (2), by striking*
21 *“Commissioner” each place it appears and inserting*
22 *“Director”.*

23 (b) *EFFECTIVE DATE.—The amendments made by sub-*
24 *section (a) shall be effective as of the date of the enactment*
25 *of Public Law 107–273.*

1 **SEC. 5. PATENT AND TRADEMARK OFFICE FUNDING.**

2 *Section 42 of title 35, United States Code, is amend-*
3 *ed—*

4 *(1) in subsection (b), by striking “Appropriation”;* and
5

6 *(2) in subsection (c), in the first sentence—*

7 *(A) by striking “To the extent” and all that*
8 *follows through “fees” and inserting “Fees”;* and

9 *(B) by striking “shall be collected by and*
10 *shall be available to the Director” and inserting*
11 *“shall be collected by the Director and shall be*
12 *available until expended”.*

13 **SEC. 6. EFFECTIVE DATE, APPLICABILITY, AND TRANSI-**
14 **TIONAL PROVISION.**

15 *(a) EFFECTIVE DATE.—Except as provided in section*
16 *4 and this section, this Act and the amendments made by*
17 *this Act shall take effect on October 1, 2003, or the date*
18 *of the enactment of this Act, whichever is later.*

19 *(b) APPLICABILITY.—*

20 *(1)(A) Except as provided in subparagraphs (B)*
21 *and (C), the amendments made by section 2 shall*
22 *apply to all patents, whenever granted, and to all*
23 *patent applications pending on or filed after the effec-*
24 *tive date set forth in subsection (a) of this section.*

25 *(B)(i) Except as provided in clause (ii), sections*
26 *41(a)(1), 41(a)(3), and 41(d)(1) of title 35, United*

1 *States Code, as amended by this Act, shall apply only*
2 *to—*

3 *(I) applications for patents filed under sec-*
4 *tion 111(a) of title 35, United States Code, on or*
5 *after the effective date set forth in subsection (a)*
6 *of this section, and*

7 *(II) international applications entering the*
8 *national stage under section 371 of title 35,*
9 *United States Code, for which the basic national*
10 *fee specified in section 41 of title 35, United*
11 *States Code, was not paid before the effective*
12 *date set forth in subsection (a) of this section.*

13 *(ii) Section 41(a)(1)(D) of title 35, United*
14 *States Code as amended by this Act, shall apply only*
15 *to applications for patent filed under section 111(b)*
16 *of title 35, United States Code, before, on, or after the*
17 *effective date set forth in subsection (a) of this section*
18 *in which the filing fee specified in section 41 of title*
19 *35, United States Code, was not paid before the effec-*
20 *tive date set forth in subsection (a) of this section.*

21 *(C) Section 41(a)(2) of title 35, United States*
22 *Code, as amended by this Act, shall apply only to the*
23 *extent that the number of excess claims, after giving*
24 *effect to any cancellation of claims, is in excess of the*
25 *number of claims for which the excess claims fee spec-*

1 *ified in section 41 of title 35, United States Code, was*
2 *paid before the effective date set forth in subsection*
3 *(a) of this section.*

4 (2) *The amendments made by section 3 shall*
5 *apply to all applications for the registration of a*
6 *trademark filed or amended on or after the effective*
7 *date set forth in subsection (a) of this section.*

8 *(c) TRANSITIONAL PROVISIONS.—*

9 (1) *SEARCH FEES.—During the period begin-*
10 *ning on the effective date set forth in subsection (a)*
11 *of this section and ending on the date on which the*
12 *Director establishes search fees under the authority*
13 *provided in section 41(d)(1) of title 35, United States*
14 *Code, the Director shall charge—*

15 (A) *for the search of each application for an*
16 *original patent, except for design, plant, provi-*
17 *sional, or international application, \$500;*

18 (B) *for the search of each application for an*
19 *original design patent, \$100;*

20 (C) *for the search of each application for an*
21 *original plant patent, \$300;*

22 (D) *for the search of the national stage of*
23 *each international application, \$500; and*

24 (E) *for the search of each application for*
25 *the reissue of a patent, \$500.*

1 (2) *TIMING OF FEES.*—*The provisions of section*
2 *111(a)(3) of title 35, United States Code, relating to*
3 *the payment of the fee for filing the application shall*
4 *apply to the payment of the fee specified in para-*
5 *graph (1) with respect to an application filed under*
6 *section 111(a) of title 35, United States Code. The*
7 *provisions of section 371(d) of title 35, United States*
8 *Code, relating to the payment of the national fee shall*
9 *apply to the payment of the fee specified in para-*
10 *graph (1) with respect to an international applica-*
11 *tion.*

12 (3) *REFUNDS.*—*The Director may by regulation*
13 *provide for a refund of any part of the fee specified*
14 *in paragraph (1) for any applicant who files a writ-*
15 *ten declaration of express abandonment as prescribed*
16 *by the Director before an examination has been made*
17 *of the application under section 131 of title 35,*
18 *United States Code, and for any applicant who pro-*
19 *vides a search report that meets the conditions pre-*
20 *scribed by the Director.*

21 (d) *EXISTING APPROPRIATIONS.*—*The provisions of*
22 *any appropriation Act that make amounts available pursu-*
23 *ant to section 42(c) of title 35, United States Code, and*
24 *are in effect on the effective date set forth in subsection (a)*
25 *shall cease to be effective on that effective date.*

1 **SEC. 7. DEFINITION.**

2 *In this Act, the term “Director” means the Under Sec-*
3 *retary of Commerce for Intellectual Property and Director*
4 *of the United States Patent and Trademark Office.*

5 **SEC. 8. CLERICAL AMENDMENT.**

6 *Subsection (c) of section 311 of title 35, United States*
7 *Code, is amended by aligning the text with the text of sub-*
8 *section (a) of such section.*

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JULY 25, 2003

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